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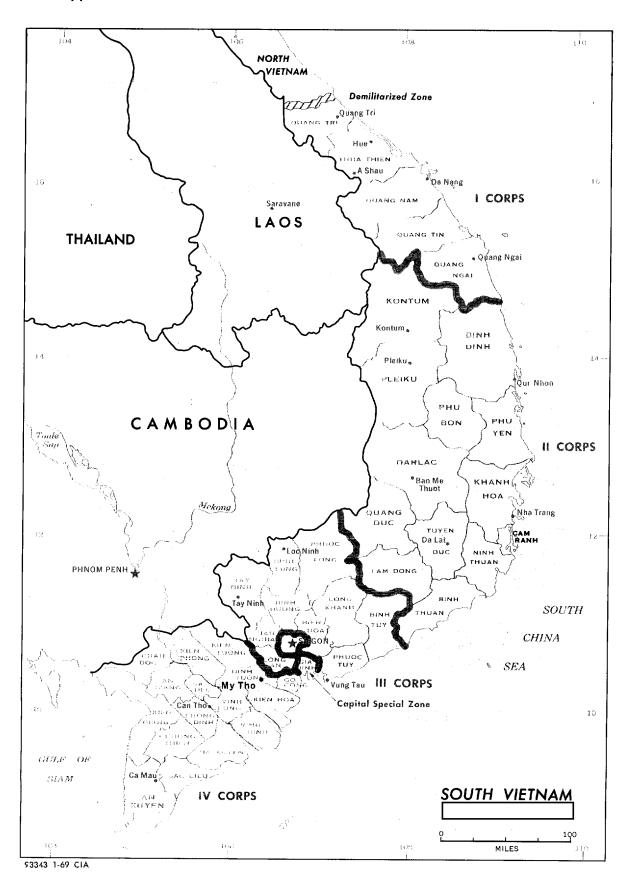
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Vietnam: No major military actions were reported on 7-8 January.

The abduction of some 150 South Vietnamese civilians on 6 January from a village near My Tho in the Mekong Delta may indicate that Communist offensive military actions will take place shortly in that region. In the past, shortly before launching attacks, the Communists have impressed civilians as porters both to carry arms and ammunition and to transport wounded after a battle.

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Several items published in the North Vietnamese Army newspaper in late November and early December 1968 suggest that Hanoi has been making strenuous efforts during the last few months to prepare for a new round of increased Communist military action in South Vietnam.

The articles, which have just become available, indicate that the regime has been putting special emphasis on expanding its armed forces and in improving the quality of leadership in the Communist forces in the South in preparation for an increase in military action.

An editorial of 29 November in the army newspaper hinted that increasing numbers of civilians in North Vietnam are being conscripted both in support of military activity in North Vietnam and at "the frontline" as well as for service in the regular armed forces. The editorial specifically called for a better job in mobilizing young people for service in the armed forces.

The editorial strongly implied that there is considerable resistance among the population in North Vietnam to further demands upon their energies in support of the war. Army officers were

Cinstructed to help minimize the tensions caused by troop deployments into areas where the people are not hospitable. The most significant difficulty disclosed in the newspaper account was opposition to an intensification of the military draft.

This popular reluctance to give full support to the regime's heavy demands is not new, although it is rarely admitted publicly, and can almost certainly be overcome by coercive and repressive methods long used by the party.

An article on 8 December in the army newspaper was laced with implied criticism of the past performance of some military commanders in South Vietnam and exhortations for rapid improvements in the command area. It emphasized that only by developing their military skills can the Communists expect to achieve "complete political and spiritual superiority" and eventual victory. It also pointed out that in the "new phase" commanders must rapidly master both their own and the enemy's situation in this time of "urgent preparations." The over-all message is that any standdown in military activity is temporary and the readers should anticipate a resumption of military offensive action in the near future.

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Panama: Communist leaders hope to foment student demonstrations against the government today, the anniversary of the anti-US riots of 9-12 January 1964.

Extremist students have been demanding for some time that the party take a stronger antimilitary stand, especially since the government occupied the University of Panama in mid-December

The guard will be expecting trouble and is likely to react as firmly as it did last month, when students tried to organize a protest against military rule. Guardsmen in Panama City quickly broke up that march, and about 100 students fled into the Canal Zone to escape tear gas.

This could happen again in either Panama City or Colon. The guard appears to be the students main target, however, and thus far there is no indication that the demonstrations might be turned against the US presence in the Canal Zone.

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West Germany: The government wants a new round of talks with the US about the nonproliferation treaty.

According to a Foreign Ministry official, the German Embassy in Washington will soon receive new instructions on this matter. The aim of the talks, the official said, will not be to put on record US and West German interpretations of certain provisions of the treaty, although this would not be excluded. Bonn primarily wants to impress upon the US the idea that it should receive from the Soviets—either directly or through the US—"some concession" on issues relating to its security before signing the treaty.

The Soviet invasion of Czechoslovakia, and Moscow's public claim that it has a right to intervene in Germany under postwar agreements, heightened Bonn's misgivings over signing the treaty. The new approach to the US appears to be in response to such domestic critics as Finance Minister Strauss, who urged last month that Bonn try its hand with the new US administration at solving outstanding problems. Other conservative opponents of the treaty have demanded Soviet concessions—such as renouncing the alleged right to intervene—prior to a German signature.

The Germans have already shown new interest in resuming talks with the Soviets on matters affecting Bonn's security. The German ambassador to Moscow last week had an inconclusive discussion with Deputy Foreign Minister Semenov in which he requested Soviet support for German membership in the Eighteen Nation Disarmament Conference. Later this month he will discuss possibilities for an exchange of declarations on the nonuse of force with Foreign Minister Gromyko.

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Ceylon - Communist China: Ceylon and Communist China have signed an annual protocol covering their rice-rubber barter trade in 1969. This protocol falls under the long-standing trade pact between the two countries, which was renewed last November for five years.

Under the 1969 agreement, Ceylon's rice imports will decline 25 percent to 150,000 tons while its rubber exports remain at 75,000 tons. The drop in the amount of rice Ceylon is receiving for its rubber is an adjustment reflecting anticipated changes in the relative price of rice and of rubber on the world market. Despite this new exchange ratio, China apparently will continue to deliver rice at a price somewhat below that existing on the world market, and Ceylon will receive a slight premium for its rubber.

The rice-rubber barter exchange between Ceylon and China constitutes a major portion of trade between the two countries. In the past, China has fulfilled most of its obligation by purchasing Burmese rice; but, following the shortfalls in Burma's rice crop and the rupture in Sino-Burmese relations in 1967, Peking has been forced to use domestically produced rice to meet its commitment to Ceylon.

NOTE

Pakistan: Moscow has begun to help develop the Pakistani marine fishing industry. Three Soviet oceanographic trawlers have arrived in Karachi with 20 Soviet scientists and technical experts, who will remain for two years to train Pakistani fishermen in deep-sea fishing techniques. The agreement promising this aid, which was signed last July, also provides for the construction of two new harbors.

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